



BOARD OF GOVERNORS  
OF THE  
**FEDERAL RESERVE SYSTEM**  
WASHINGTON, D. C. 20551

OFFICE OF INSPECTOR GENERAL

February 20, 2001

The Honorable Ben Nighthorse Campbell  
Chairman  
Treasury and General Government  
Subcommittee  
Committee on Appropriations  
United States Senate  
Washington, DC 20540

The Honorable Ernest J. Istook  
Chairman  
Treasury, Postal Service, and  
General Government Subcommittee  
Committee on Appropriations  
House of Representatives  
Washington, DC 20510

Dear Sirs:

This letter is submitted pursuant to section 646 of H.R. 5658 (P.L. 106-554). This section requires that the Inspector General of each agency report to Congress on any activity by the agency relating to the collection or review of personally identifiable information about individuals accessing the agency's Internet site.

In February 2001, the Office of Inspector General of the Board of Governors of the Federal Reserve System (Board) conducted a review of the Board's Internet site. Our review included analyzing website information, interviewing Board management and staff, and performing remote access testing. Specifically, we tested the Board's public website using Internet browsers set to notify the user before accepting a "cookie" or other similar technology used to track the activities of website visitors over time or across different websites.

Our review showed that the Board does not use "cookies," "web bugs," or other devices to collect personally identifiable information on individuals accessing its public website. The Board does not generate aggregate lists that contain personally identifiable information on website visitors nor has the Board entered into any agreements with third parties to collect, review, or obtain such information. Although the Board collects aggregate data compiled from visits to the website, the information cannot be reviewed in an individually identifiable form. The Board uses the aggregate data to help improve its website, to be responsive to user needs and inquiries, and to measure the volume of requests for specific website pages. For example, the Board may use the Internet Protocol (IP) address information to monitor unusually heavy activity from a single address, but the Board does not collect personally identifiable information on users at that IP address.

The Board's public website is also configured to accept personal information provided voluntarily through email forms or questionnaires. A website visitor asking for additional information may, for example, voluntarily send personally identifiable information—such as a return email address or regular mailing address—which Board staff use to respond to the individual's question or request. If that occurs, the email and related information are treated as if it paper correspondence had been mailed to the Board. The Board does not collect any personal information that is not voluntarily provided.

The Honorable Ben Nighthorse Campbell  
The Honorable Ernest J. Istook  
Page 2  
February 20, 2001

We also found that the Board's Internet site includes a prominent and easily accessible privacy policy that discusses the collection, storage, and use of website information. In addition, when a Board website visitor links to a site that is not controlled by the Board, the individual is warned that they are about to visit an "external" site outside the Board's control. This warning is delivered via a "pop up" message when the link to the third-party site is accessed.

I hope this information is helpful. Please let me know if I can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Barry R. Snyder". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Barry R. Snyder  
Inspector General